

One Utah Center  
201 South Main Street, Suite 2100  
Salt Lake City, UT 84111  
(801) 220-4140 - FAX (801) 220-4725



A Subsidiary of PacifiCorp

**HAND DELIVERED**

January 25, 2006

Kent Hoffman  
Deputy State Director  
**United States Department of the Interior**  
**Bureau of Land Management**  
Utah State Office  
440 West 200 South, Suite 500  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155

*Kent Hoffman*  
*1/25/06*

**RE: Application to Lease Federal Coal – Mill Fork West Extension Tract  
Emery County, Utah**

Dear Mr. Hoffman:

On behalf of PacifiCorp, enclosed in triplicate is an application to lease federal coal lands on the western side of Utah State Coal Lease ML-48258 (Mill Fork Lease). This application has been prepared in accordance with 43CFR3425 (2004). The proposed tract as delineated consists of 180 acres and is referred to as the "Mill Fork West Extension Tract". The purpose of this application is to acquire the small portion of potentially recoverable unleased federal coal lying between the western lease line of the Mill Fork Lease and the Joes Valley fault zone.

Present mining conditions in the 14<sup>th</sup> West gate road entry off 7<sup>th</sup> North Mains of the Deer Creek Mine together with other geological data and actual conditions in the neighboring Genwal Mine indicates that a small portion of potentially recoverable coal could be economically recovered by extending the planned longwall panels westward into the delineated area of the Mill Fork West Extension Tract (between the present lease line and fault). However, we preface these good intentions with the fact that not all geological characteristics are known within the Mill Fork West Extension Tract area and actual coal recovery is subjective to these unknown conditions.

This is a prudent effort to acquire, permit and make a good faith attempt to logically maximize the potential recovery of the coal between the present Mill Fork Lease line and

**RECEIVED**  
*[Signature]*  
**JAN 30 2006**

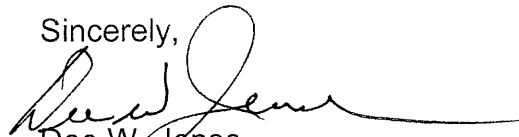
Kent Hoffman  
January 25, 2006  
Page 2

fault, which in turn enables greater maximization of coal recovery in the Mill Fork Lease. Time is of the essence in processing this application, otherwise the overall potential to maximize recovery is subject to bypass, if not acted on now.

Members of my staff have taken the opportunity to meet with representatives from your organization to discuss this matter and have sought their guidance in this effort. We respectfully request the Utah State BLM Director to expedite this application to encourage the greatest ultimate recovery and conservation of this natural resource while promoting full development and successful operations in the very near future.

Your attention to this application is greatly appreciated. Should you have any questions or need additional information please feel free to contact Scott Child at 801-220-4612.

Sincerely,

A handwritten signature in black ink, appearing to read "Dee W. Jense", with a long horizontal flourish extending to the right.

Dee W. Jense

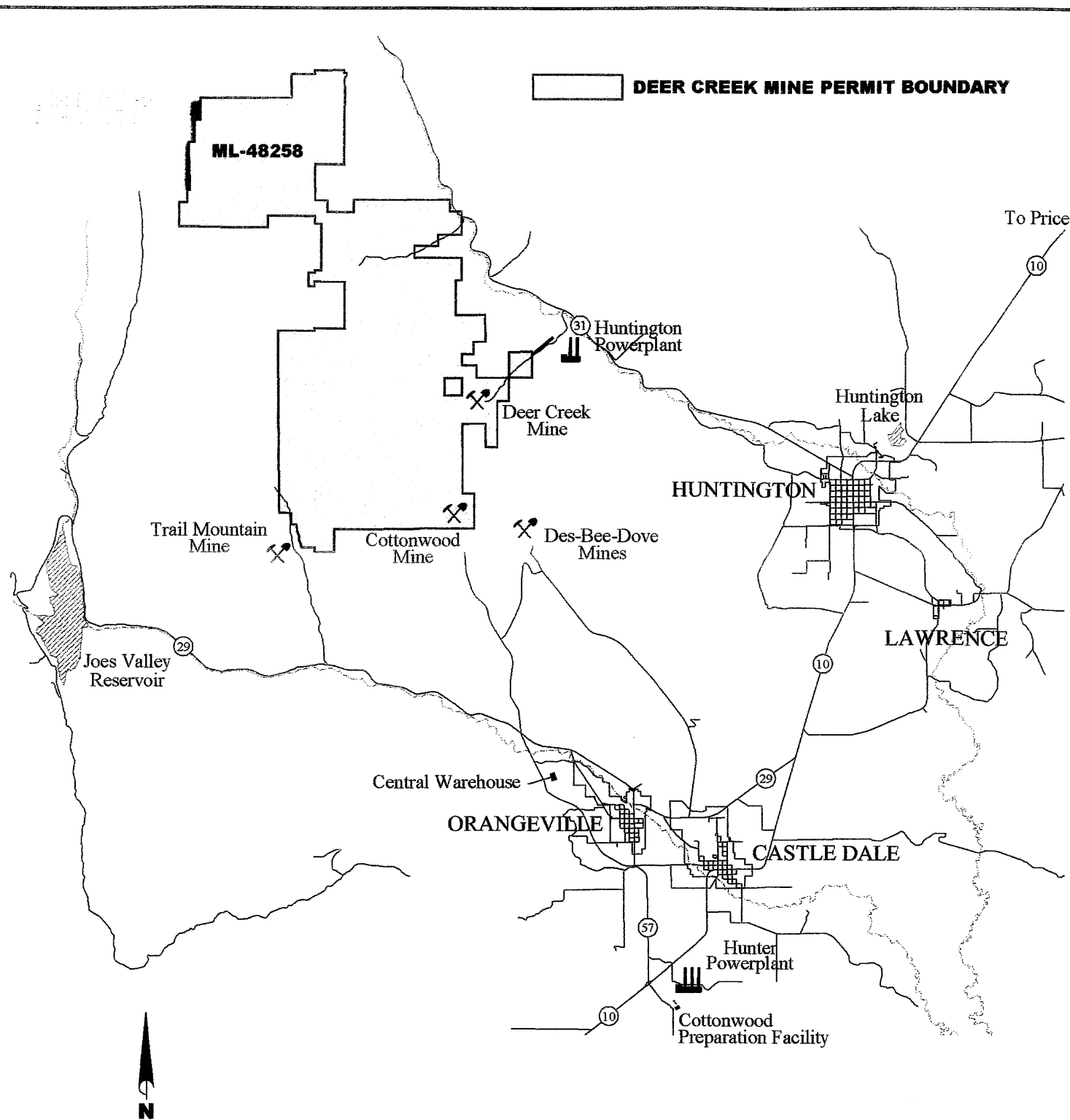
President

Interwest Mining Company

Enclosure

SMC\EnergyWest\UTBLM2006-01.doc

cc: PacifiCorp Fuels w/o encl. – N. Getzelman, B. Durning  
IMC - B. King, S. Child (w/encl.), C. Pollastro  
EWMC - D. Johnson, C. Semborski (w/encl.), L. LaFrentz  
USFS Manti-LaSal – A. Carlton w/encl.  
DOGM w/o encl. – M. Wright  
SITLA w/o encl. – T. Faddies



SCALE: 1"=3 MILES

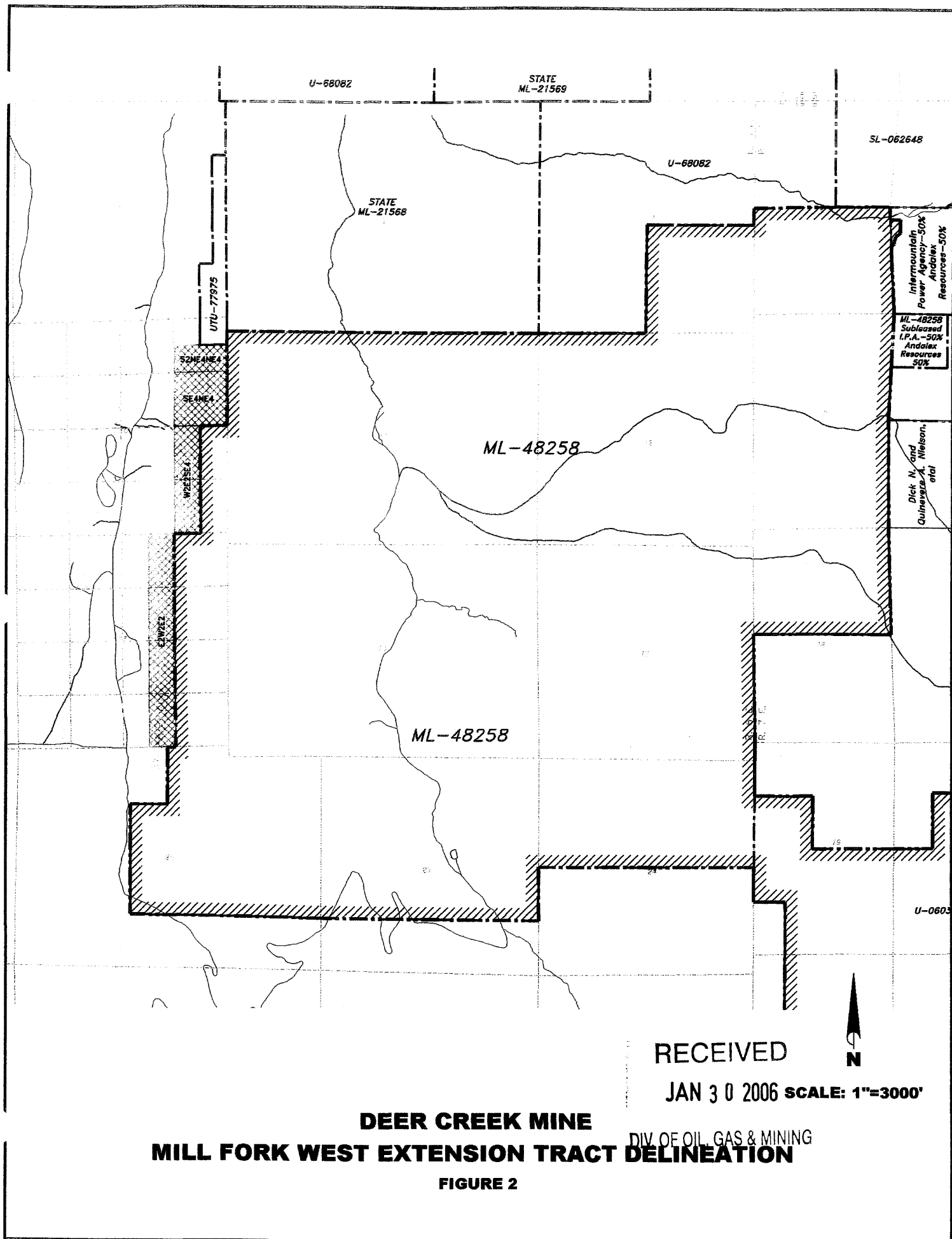
**DEER CREEK MINE  
GENERAL LOCATION MAP  
MILL FORK WEST EXTENSION TRACT**

FIGURE 1

RECEIVED

JAN 30 2006

DIV. OF OIL, GAS & MINING



RECEIVED

JAN 30 2006 SCALE: 1"=3000'

DEER CREEK MINE

MILL FORK WEST EXTENSION TRACT DELINEATION

DIV. OF OIL, GAS & MINING

FIGURE 2